



**CALIFORNIA HIGH-SPEED RAIL AUTHORITY**

**California High-Speed Rail Authority**

**Succession Planning Guidance Document**

**Prepared by Harris Consulting Group and  
MGT of America**



**October 2010**

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## **SECTION 1**

### **Background**

This Guidance Document has been developed in support of the California High-Speed Rail Authority's (the "Authority") succession planning objective initiated in September 2010. The requirement to address succession planning is an outcome of a comprehensive strategic planning process facilitated by MGT of America, completed in early 2010. Within the Authority's strategic plan, a number of staffing and organizational-related performance measures and strategies were defined.

One key performance measure central to succession planning recognized the criticality to position the Authority to preserve its institutional knowledge over time. Following is a list of the specific strategies which were identified in support of this:

- Identify key subject matter experts of the organization
- Develop forecasts for turnover in those positions
- Identify skills needed to replace future vacant positions
- Identify internal and external candidates for replacing positions
- Develop professional growth plans for internal replacement of vacating positions
- Develop hiring plans for replacement of vacating positions

Resulting from a series of succession planning meetings completed during September 2010, a number of milestones related to the above listed strategies have been achieved. The complete set of meeting outputs has been consolidated and is provided in a separate document.

### **Purpose of this Guidance Document**

This Guidance Document contains specific process recommendations and instructions for the implementation and on-going administration of the Authority's succession planning process. These recommendations have been carefully crafted to meet the specific needs of your organization. A brief description of each of the key succession planning steps has been developed to enable the Authority's senior leaders to implement the process on a periodic basis.

We are available to assist during future phases of implementation, as needed.

In order to provide the Authority with practical guidance to sustain your succession planning efforts during the next several years, the approach described within this document is comprehensive by design, and includes the key steps involved in the active management of the Authority's key talent.

It is quite common for organizations to continue to refine their succession planning process over a multi-year period, based on many different factors (growth in headcount and management levels, expansion into new lines of business, changes in organizational priorities, etc.). We fully expect and encourage the Authority to adapt the contents provided herein and "make them your own".

While at first glance succession planning implementation can be viewed as daunting, we recommend that you start by taking small steps. We do not anticipate the process to be overly burdensome nor time consuming. To focus your efforts, we have provided specific recommendations for 2011 implementation, based upon what we view as most important and relevant to the Authority in the near-term.

### **Integrated Talent Management Approach**

Before we begin to describe the entire process, it is useful to place succession planning in proper perspective. While succession planning is a well-defined and structured process, in reality it lives within a much broader context of what is commonly referred to as Talent Management or Human Capital management. Wikipedia provides a succinct working definition:

"Companies that engage in talent management are strategic and deliberate in how they source, attract, select, train, develop, retain, promote, and move employees through the organization. Research done on the value of such systems implemented within companies consistently uncovers benefits in these critical economic areas: revenue, customer satisfaction, quality, productivity, cost, cycle time, and market capitalization. The mindset of this more personal human resources approach seeks not only to hire the most qualified and valuable employees but also to put a strong emphasis on retention."

The benefits of employing a holistic approach to human capital management are by no means unique to the private sector. In fact, given the Authority's planned growth, now is the ideal time to begin implementing talent management best practices.

With Talent Management as the backdrop, and based on our work with you to date, in Section 9 we have provided some preliminary recommendations to support the Authority's staffing, on-boarding, retention, and work environment for your consideration.

## **SECTION 2**

### **Succession Planning: Primary Objectives**

We will begin this section with a brief review of the generally agreed objectives and benefits of succession planning, followed by a list of best practices for its implementation. Based on our understanding of the Authority's mission and growth plans, each of these objectives appears relevant to your commitment to succession planning.

#### **Succession Planning's *primary objectives and organizational benefits*:**

- Ensure that the organization has ***the right people*** (with the right skills, knowledge, experience, capabilities, values) ***in the right roles at the right time***
- Ensure that the organization is ***identifying, effectively developing, and retaining*** its ***high potential*** talent
- Enable the organization to proactively ***forecast staffing and leadership requirements***, and to develop organization plans and refine structures to maximize its efficiency and effectiveness
- Foster the practice of ***institutional knowledge transfer*** between departing leaders and key employees and those who may likely succeed them; ensure that critical, yet often tacit knowledge, is not lost
- Create a ***high-performing organizational culture*** through the management team's consistent messaging, expectation setting and personal leadership capabilities and behaviors
- Communicate the organization's ***explicit commitment to its people*** through well defined career progression opportunities and on-going development and feedback
- Ultimately, a well implemented succession planning process ***ensures business continuity and reduces the potentially significant risks*** associated with unplanned departure of leaders and key employees

### Succession planning is most successful when:

- it is seen as an ***integral part of business strategy*** and owned by the CEO and senior leadership team
- a ***core set of leadership competencies and organizational values*** are consistently applied to identification, development and selection processes
- ***line managers are held accountable*** for the identification and development of talent within their organization, with HR providing the tools, processes and support
- identified critical talent and high potentials have ***specific and individualized development plans*** in place, to include formal education/training, stretch assignments, special projects, on-going coaching, and mentoring
- ***metrics are in place*** and reviewed regularly; succession process improvements are identified and implemented

## Succession Planning Process Overview

As noted above, organizations who have implemented succession planning over multiple years have found it to be an iterative process. As they gain more experience, they identify opportunities to continuously refine and improve upon it. One central theme that emerges from the research is that an organization's succession planning process needs to be closely aligned with its strategy, goals, values, and culture, and with the leadership team's perspective relative to managing and developing key talent.

In addition, succession planning implementation should reflect the "maturity" and size of the organization. Given the Authority's lack of previous history and experience with succession planning, and recognizing your planned 2011 staffing level, you can "start slowly" and make process refinements as needed during the years ahead. Initially, you will likely invest less time and effort than will be required in future years, when there are many more positions to consider and more staff to develop.

## Succession Planning Framework

Based on best practices across multiple industries, we have developed a comprehensive and integrated succession planning framework, which includes a series of associated process steps (see Figures 1 and 2 below). Our approach provides a practical foundation to enable the Authority to achieve its succession planning objectives. We have tailored the explanation of each of the process steps for application within your organization.

### Succession Planning Process Framework

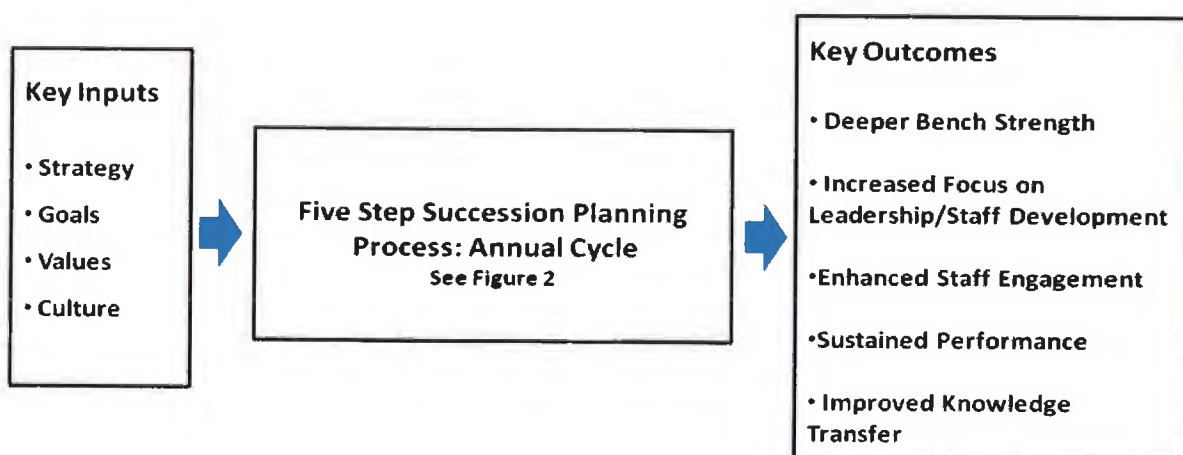


Figure 1



## **Succession Planning Framework: Implementation Recommendations**

### **1. Frequency and Timing**

We strongly encourage the Authority to institutionalize succession planning on an annual basis. The commitment to review and update your plan, based on any number of changes that have may have occurred or are anticipated going forward, is essential to the plan's utility as a talent management vehicle.

Given your lean staffing and challenging workload, **our initial concern and caution is to avoid falling into the all-too-common trap of “we are too busy to do this”.**

A logical time for your organization to review and update your succession plans, in addition to reviewing progress in the development of all successor candidates, would be linked directly to the following:

- Review and update of strategic and operational plans
- Establishment of annual organization-level performance goals
- Finalization of headcount plans and submission of next year's budget request

### **2. Involvement of Senior Managers**

As the Authority grows in size and scale, it will likely be necessary to conduct succession planning reviews at two levels:

- At the Authority's senior leadership level
- At the function-head level. As certain functions (i.e. Engineering) reach a certain size, it will be important for succession planning to take place with involvement of the senior managers who lead the Engineering function.

For succession planning during 2011, it is likely that the key discussions will only need to occur at the top of the organization.

### **3. Maintain Updated Succession and Replacement Planning Documents**

We recommend that you use the Word document worksheets already established as the basis of documenting the outcomes of your annual succession planning discussions and actions. You may wish to convert these into Excel at a later date. A review of the succession planning worksheets completed to date is found on page 10. In the future, if appropriate, the Authority can consider purchasing specialized succession planning software.

### Succession Planning: Annual Cycle

The best results are achieved when succession planning is conducted on an annual basis, linked directly to other key planning activities. This is due to the intrinsic link between strategic planning, succession planning, staffing plans, annual budgets, and goal setting.

A discussion of each of the five steps outlined in Figure 2 below is found in Sections 3-7. Specific process notes are provided to ensure the Authority's successful implementation.

### Succession Planning: Annual Cycle

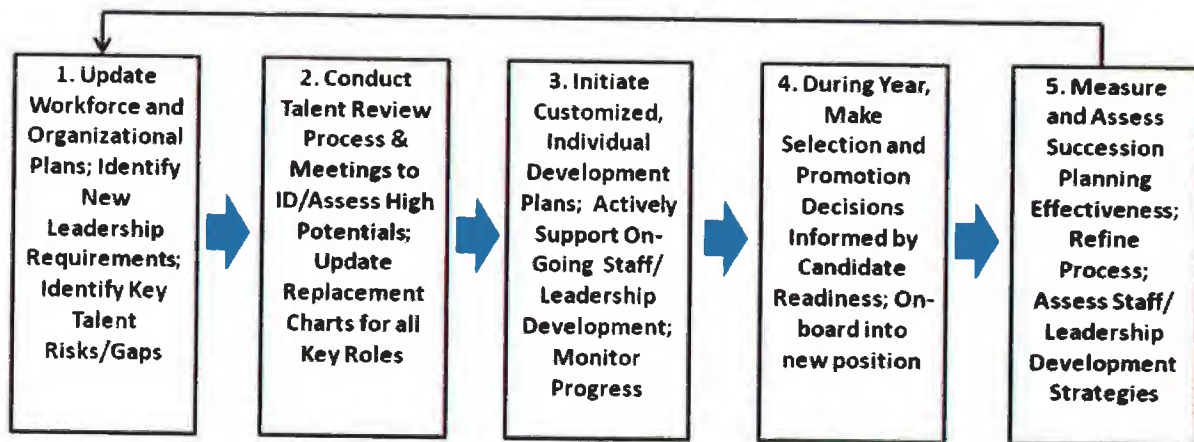


Figure 2

## Succession Planning Worksheets

The following table lists the succession planning worksheets that the Authority has used to date.

<b>Worksheet #</b>	<b>Worksheet Title/Purpose</b>	<b>Associated Process Step(s)</b>
1	Key Leadership/Organizational Capabilities Requirements driven by Strategy and Operational Imperatives	Step 1
2	Critical Capabilities Assessment	Step 1
3	Key Positions at Greatest Risk of Turnover/Loss with no Internal Candidate Pool Deemed Ready within 1-2 years	Step 1
4	Key Management Positions: Identify All Potentially Viable Replacement Candidates and Assess Their Readiness	Step 2
5	2010/2011 Staffing Plans and Assessment of Potential Internal Candidates	Step 1, 2
6	Preliminary Job Families and Career Pathing	Step 2, 4, 5

### **SECTION 3**

#### **Step 1: Update Workforce and Organizational Plans; Identify New Leadership Requirements; Identify Key Talent Risks/Gaps**

##### **Key Activities and Outputs:**

- 1a. Finalize next year's Staffing Plan with all newly requested positions prioritized by criticality (accompanies budget submission)
- 1b. Review the Organization Plan and update with all planned changes to organization structure and/or reporting relationships
- 1c. Identify key talent risks and gaps

##### **Timing:**

It is recommended that the key outputs listed above be completed during a 4-8 week period concurrent with finalization of the next year's headcount request and budget submission. This can be accomplished via a series of senior management meetings.

##### **Step 1 Process Guidelines:**

##### **1a. Finalize next year's Staffing Plan with all newly requested positions prioritized by criticality (accompanies budget submission)**

From a strategic workforce planning perspective, it is important to identify new capabilities the Authority will need to meet your upcoming goals/milestones. Worksheet #1 and #2 are designed to capture and assess these organizational and leadership requirements.

Based on the identification of new capabilities required, and the determination of staffing needs based on anticipated workload, it is essential to determine which capabilities the Authority will in-source via new hires as opposed to acquiring by way of using contractors and consultants. Given your lean staffing model, each headcount should be considered "precious", and very careful thought should be given to the trade-offs of full time hiring versus other alternatives. Prioritization of all new requested positions is important to complete – see Worksheet #5.

Next, identify all newly proposed management positions to be filled during the next fiscal year. Be sure to define the specific job duties and the associated leadership and technical capabilities the ideal candidate should possess. A brief review of potential internal candidates for all newly created positions (both management and non-management) should be completed prior to beginning the sourcing/search process – see Worksheet #4.

### **1b. Review the Organization Plan and update with all planned changes to organization structure and/or reporting relationships**

It is important to review all organization plans and related organization charts in advance of headcount and budget submission. This review should include confirmation of all planned management/staff changes: promotions, lateral moves, retirements, terminations, etc. Updated organization charts serve many purposes: on-boarding of new staff members, tracking of planned changes, identification of opportunities for organization design changes to increase productivity, among others.

### **1c. Identify key talent risks and gaps**

A critical aspect of succession planning deals with assessing organizational/business risks. One source of data might be the planned quarterly report to executive management on identification and mitigation of operational risks. Consider which of these identified risks have implications related to staffing, leadership and staff capabilities, succession plans, etc.

In lean organizations, there are often few, if any, replacement candidates for mission-critical positions who are deemed “ready now”. In the face of an unplanned, sudden departure of a mission critical incumbent (due to illness, family circumstances, termination, decision to retire without prior notification), how might the Authority deal with this?

It is important for the senior management team and each functional department leader to consider three things:

1. Which positions and people are truly mission-critical?
2. What is the probability of their sudden departure?
3. Who is most qualified within the organization to assume their current responsibilities if needed (even on an interim basis) and/or what should we be doing to get a potential internal replacement ready?

Worksheet #3 is designed to capture this important risk review – identifying all cases where no internal successor candidates have been identified as “ready now”, and where an unplanned exit of an incumbent could have significantly negative consequences to the Authority’s ability to meet committed milestones.

A systematic and objective review of the Authority’s internal talent and an update of all management and key individual position replacement charts are completed during Step 2, which follows.

**Key Activities In 2011:** During our meetings with you in September 2010, we completed a number of the activities discussed above. We recommend that you review and update this work as needed, based on any changes that may occur.

One specific issue of importance now is managing the potential loss of institutional knowledge. This information was captured on Worksheet #2 - Critical Capabilities Assessment - during our recent meetings. We suggest you consider knowledge capture (highlighted briefly in Section 9). We emphasize the importance of continuing to monitor risks and gaps and developing risk mitigation plans as needed.

## **SECTION 4**

**Step 2:** Conduct Talent Review Process & Meetings to ID/Assess High Potentials; Update Replacement Worksheets for all Key Roles

### **Key Activities and Outputs:**

- 2a. Identify and assess high-potential staff members
- 2b. Update the Readiness Assessment of successor candidates for all management positions and mission-critical individual contributor positions
- 2c. Update Replacement Worksheets for all management positions and mission-critical individual contributor positions

### **Timing:**

It is recommended that the key outputs listed above be completed shortly after budget and headcount approval each year. For 2011, these activities can be completed after most/all of the newly approved positions are filled.

### **Step 2 Process Guidelines:**

#### **2a. Identify and assess high-potential staff members**

It is important to view each staff member as a valuable asset, and to invest in their on-going professional development. There are a number of ways to demonstrate this commitment, consistent with State of California employee practices. However, to maximize the impact and value of the Authority's succession planning process and to position the organization for long-term success, it is essential that the Authority identify and proactively manage and nurture your highest potential managers and key individual contributors.

Each year it is important to review the progress of targeted development plans for your previously identified high-potential managers/staff (HiPos) and to identify any additional individuals who the leadership team believes meets the HiPo criteria. A discussion of the HiPo identification process follows.

## Defining and Identifying High-Potentials

The Corporate Leadership Council provides below a useful definition of high-potential staff members. We recommend that the Authority's senior leadership team develop your own criteria and use it consistently as an objective "litmus test" in the identification and periodic assessment of your high-potential talent.

"High-potentials are typically defined as those demonstrating high-level contributions, organizational values, potential to move up to an identified position within a given timeframe, and potential to assume greater responsibility. For example, some organizations operationally define high-potential employees as those who are able to assume greater responsibilities within the next two years and who exhibit a history of high-performance and leadership potential; also may be defined as employees who are able to advance two leadership levels within 4-8 years and who score well on various assessment criteria. Most high-performers are not high-potentials BUT all high-potentials are high-performers."

A practical approach to kick-starting the high-potential identification process involves each of the Authority's senior leaders creating a list of their highest potential managers and staff who they believe meets the HiPo criteria, once formally defined. A common set of data and criteria should be used to objectively assess an individual's career potential, which could include:

- An assessment of the individual relative to the Authority's leadership competencies and values (if a set of leadership competencies is defined)
- A review of the individual's career history, positions held, special assignments completed, and level of challenge in previous positions/assignments (this should consider experience both within and outside of the Authority, given the short tenure of all new staff members)
- An evaluation of their job performance history during the past three to five years including all significant contributions to the organization (clearly not available now but it will be in the years to come)
- The individual's education, functional and technical skillsets, and expressed career ambitions (if known)
- Discussion of any potential "career derailers" that could hinder this individual's career progression into a more senior position



- A rating of the individual's "learning agility" or ability and willingness to acquire new skills, knowledge and abilities in order to perform under first-time, tough or different conditions. Research findings on Learning Agility support its predictive value for identifying high-potential leaders. Example criteria to assess learning agility includes:
  - Displays self-awareness; is realistic about own strengths and shortcomings
  - Seeks self-improvement; actively pursues and models self-development
  - Actively seeks challenges that require learning
  - Reviews and learns from past successes and failures
- Lastly, each of the Authority's senior leaders should prepare a brief qualitative description and rationale for why they see this individual as having high potential

Best practice organizations limit the number of High Potentials generally to no more than 10-15% of the talent pool in order to make this category "meaningful" and "manageable". Once all of this data is compiled, the Authority's senior leadership team should schedule a meeting to review the "new HiPo candidates" as presented by each senior leader. These small, well organized "talent review meetings" become both a learning ground and means of alignment and calibration across the Authority's senior leadership team. Based on the decisions reached, a new set of HiPo's can be added to the aggregated High Potential "talent inventory list" while some individual's previously identified as a HiPos may be removed from the list, based upon closer scrutiny.

The list of the Authority's high-potential managers and staff should remain confidential and carefully controlled. An important discussion relative to whether or not to inform HiPos of their identified status is contained within the addendum. We suggest you read this prior to reaching any decisions on this matter.

## **2b. Update the Readiness Assessment of successor candidates for all management positions and mission-critical individual contributor positions**

One fundamental purpose of succession planning is to ensure that, wherever feasible, the organization has internal replacement candidates who are ready to assume greater responsibilities in the face of planned or unplanned departures of key managers and individual contributors in mission-critical roles. Given the Authority's lean staffing model, you will likely be "one deep" in many key positions, where no internal candidates are deemed appropriate or ready to assume these responsibilities in the short-term. Creating viable bench strength for "at risk" key positions will require a blend of long-term internal talent development and targeted external searches to bring new talent into the organization.

Wherever possible, every effort should be made to develop successor candidates, with strong emphasis on the proactive cultivation of your high-potential employees. As part of your talent review and talent risk discussions (i.e. quarterly), we strongly recommend that the Authority's senior leadership team maintain an updated assessment of all potential replacement candidates for management positions and mission-critical individual contributor positions. This "successor candidate assessment", at a minimum, should track two important pieces of information:

- A realistic timeframe in which the successor candidate could be considered ready to assume a specific position identified. We advise segmenting these into three timeframes (see Worksheet #4 below, Column 3).
- The developmental gaps that the candidate and his/her manager should focus efforts on in order to accelerate their readiness (should the candidate validate their interest in the specific position of positions for which they may be potentially qualified for now or at some point in the future). This would include the specific areas of knowledge, skills, and experience needed to perform effectively within the defined position (also to be noted on Worksheet #4). We will review the use of Worksheet #4 as part of the discussion of Replacement Worksheets which follows.

## **2c. Update Replacement Worksheets for all management positions and key individual contributor positions**

This activity is conducted in parallel with the successor candidate readiness assessment process described above. We recommend that you update Worksheet #4, so that all management positions and mission-critical individual contributor positions (sorted by job family - see Worksheet #6 for current groupings) are listed in Column 1. It is not uncommon for the same individual to appear as a successor candidate for several different listed positions. However, the assessment of their readiness and developmental priorities will vary based on the specific position/job family for which they are being assessed.

## Worksheet #4 for Candidate Assessment and Replacement Charting

For each position listed, identify all potential internal replacement candidates; this should include the Authority's identified high-potential staff and others who the senior leadership team believes could be a **viable** replacement at some point in the future. It may be the case that certain staff members do not appear on any replacement charts, either because they are not considered viable for the positions listed or because the positions for which they would otherwise be a candidate are not included in the succession planning process (either not mission-critical or positions which are easy to fill relatively quickly).

### Worksheet 4 – Key Management and Mission-Critical Positions: Identify All Potentially Viable Replacement Candidates and Assess Their Readiness and Development Priorities

<b>Position</b>  List all management positions and mission-critical individual contributor positions (sorted by job family)	<b>Potential Internal Replacement Candidates</b>  List all internal replacement candidates who could be a viable replacement at some point in the future	<b>Candidate Readiness Assessment</b> <b>A) (Ready Now, Ready in 1 year, Ready in 2 years, Ready in 3-5 years)</b>  <b>B) Development priorities to accelerate readiness (specific areas of knowledge, skills, experience needed)</b>  <b>*Asterisk = Identified High-Potential</b>
<b>Example</b>		
<b>Chief Program Manager</b>	Mary Jones  Sal Ramirez	<b>*Mary Jones – Ready in 2 years</b>  Development Priorities: <ul style="list-style-type: none"> <li>Increased stakeholder management awareness and influence skills</li> <li>Continued team leadership skills development, with emphasis on delegation, performance coaching, and recognition</li> <li>Presentation skills (all aspects)</li> </ul> <b>Sal Ramirez – Ready in 3-5 years</b>  Development Priorities: <ul style="list-style-type: none"> <li>Increased technical capabilities related to large-scale program management</li> <li>Team leadership skills development (full spectrum)</li> <li>Financial analysis and budgeting</li> </ul>

As the Authority's succession planning process evolves, you may wish to place Worksheet #4 (and all other worksheets as applicable) into an Excel document format in order to provide data sorting capabilities.

It will be important for the leadership team to periodically review all identified staff (emphasis on your high-potentials) and their readiness status for each position for which they are identified as a successor candidate. It will also be helpful to view the number of different positions (and across which job families) any given individual is listed. The leadership team will also want to review every listed position for which there is no successor candidate identified, or where no candidates have been assessed as being ready within two years. This type of quick analysis can serve to mobilize focus onto key talent gaps and their associated organizational risks, as well as shape potential staffing and recruitment plans, and selection decisions.

**Key Activities in 2011:** We recommend that you focus on Steps 2b and 2c. The rationale is that until your new hires have more time on the job, it will be difficult to assess who your new high-potentials are. You will begin to gain important insights that will enable you to conduct the high-potential identification process beginning in 2012.

You may wish to identify your high-potentials currently on board. The challenge is that, given your small headcount, many are playing critical roles, and therefore the assessment of their career progression potential within the Authority may be somewhat skewed. Having a larger bank of employees from which to identify the true high-potentials will increase the objectivity, effectiveness and validity of your assessment process.

## **SECTION 5**

### **Step 3: Initiate Customized, Individual Development Plans; Actively Support On-Going Staff/Leadership Development; Monitor Progress**

#### **Key Activities and Outputs:**

- a. Update Individual Development Plans for all of the Authority's staff members (with special attention on identified High-Potential managers and staff)
- b. Implement targeted leadership and staff development strategies; Monitor progress
- c. Consider new development strategies to address future organizational requirements and priorities (i.e. introduction of new skills, knowledge, capabilities)

#### **Timing:**

It is recommended that Individual Development Plans be completed annually and reviewed on a quarterly basis. Evaluate the effectiveness of development strategies annually.

#### **Step 3 Process Guidelines:**

##### **3a. Update Individual Development Plans for all of the Authority's staff members (with special attention on identified High-Potential managers and staff)**

In Step 2, discussed in the previous Section, we highlighted the importance of identifying successor candidates and assessing their readiness to assume any number of other positions. A key element of the assessment process included the identification of development priorities to accelerate their readiness; defining the specific areas of knowledge, skills, and additional experiences specific to each position.

We advise the systematic use of Individual Development Plans (IDPs) as the mechanism for staff to document their development goals and planned actions for the upcoming year. The discussions between a staff member and their direct supervisor forge the commitment to on-going development; this commitment requires periodic follow-up, support and monitoring to ensure that the individual is making observable progress on their defined development goals.

To maximize the impact of the IDPs, we also recommend that annual performance goals and IDPs be established within the same three-month period for all Authority personnel, and that there is clear alignment between organization-level goals and individual performance and development goals/priorities (line-of-sight goals process).

While we understand that all of the Authority's employees will complete an IDP each year, the succession and replacement planning process requires an additional level of focus and investment in the development of your identified high-potentials (discussed at length in Section 4). Because your HiPos will have been assessed as having the greatest upward career mobility, they should be the first staff members that the Authority considers when key management and other mission-critical roles must be filled (either a new position or a replacement). To ensure that replacement plans are current, all identified HiPos will need to have an updated IDP with development goals and activities clearly defined each year.

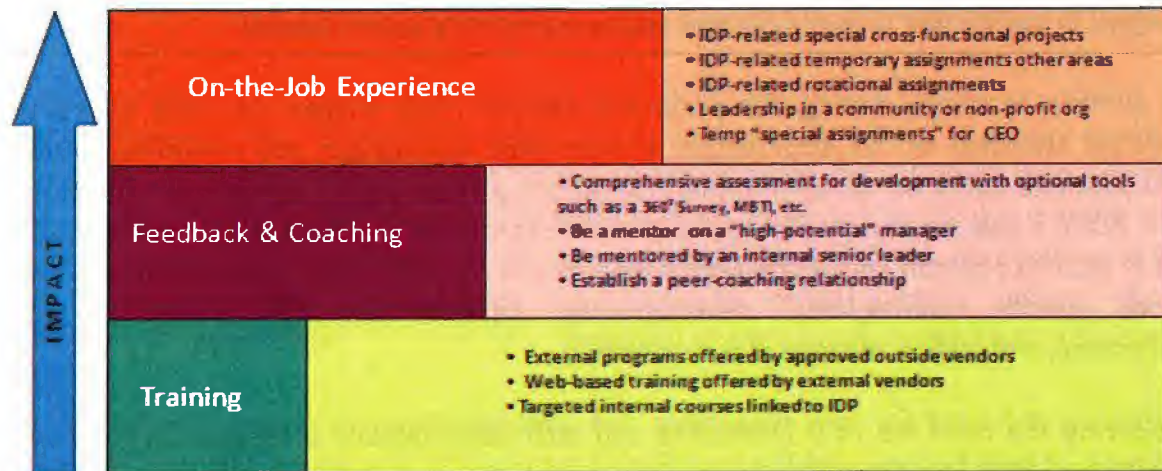
Based on a review of talent gaps and risks (Step 1), in many cases it will be important to accelerate the development of replacement candidates (whether they are identified HiPos or not). We see the key difference between "normal" and accelerated development as largely around the level of intensity and the degree of investment. We emphasize that targeted development plans need to be unique to each individual to ensure that they are gaining the specific knowledge, skills and, most importantly, the experience necessary to assume the position(s) for which they are being developed.

Practically speaking, accelerated development translates into a higher level of involvement of the individual's direct supervisor, as well as others within the organization who can contribute to the individual's on-going growth (i.e. internal mentors). Acceleration also requires more frequent feedback, monitoring and fine-tuning of development plans.

### **3b. Implement targeted leadership and staff development strategies; Monitor progress**

What constitutes the most pragmatic and cost-effective means of developing the Authority's managers and staff? The Center for Creative Leadership has conducted extensive research into this question and their findings are clear and of great significance relative to leadership and staff development. In essence, their research confirms what many of us have observed throughout our careers – that often the most enduring development is gained through on-the-job experiences. This is not to discount whatsoever the value of on-going feedback, mentoring, nor formal training programs, but rather to place emphasis on the biggest, yet often overlooked contributor to development over the life of one's career.

The Center for Creative Leadership's model (adapted) appears in Figure 3 below. Depending on an individual's development priorities defined within their IDP, any number of the strategies outlined may be valuable. We are strong advocates of a blended, multi-faceted and phased approach to learning and development, consistent with best practices in talent management.



\*Can apply to "non-high potential" staff as well. Apply more of the above development activities simultaneously and/or in an accelerated period of time for high potentials.

Ref. Adapted from research by the Center for Creative Leadership

**Figure 3**

A more complete discussion of leadership and staff development strategies in support of IDPs is found in Section 8. There, we will provide specific suggestions for the Authority's consideration relative to the design and implementation of targeted development strategies to maximize the on-going investment in your people.

As with all organizational initiatives, the Authority will need to periodically review the impact and assessment of the various development strategies you have implemented to ensure that they are achieving their intended results.

**3c. Consider new development strategies to address future organizational requirements and priorities (i.e. introduction of new skills, knowledge, capabilities)**

As the high-speed rail program enters new phases of its evolution, the Authority will encounter new challenges, both from a technical and organizational perspective. It will be important for the leadership team to re-assess its management and career development strategies to ensure that they are appropriate to meet future requirements.

Any number of events during the program's lifecycle may trigger the need to place significant attention on the introduction of new skills, knowledge, and capabilities. One prime example could be the requirement to attract private equity investment in future years. While a sub-set of new hires (and consultants/contract employees as needed) will need to possess relevant knowledge/experience in this area, the Authority will also need to provide specific training/other developmental solutions to staff already in the organization, and well in advance of this initiative.

Considering the need for new leadership and staff development strategies requires an evaluation of both Content and Process. The Content of new learning needs will be driven directly from your mission, goals, and upcoming milestones. It is useful to forecast what those specific content areas are well in advance of when you will need them. A logical time to consider these future requirements would be during Step 1, outlined in Section 3. A review of the effectiveness of development programs is discussed in Section 7.

The focus on Process serves to evaluate the specific development strategies employed. What might be the most effective method to ensure that the targeted new skills, knowledge and capabilities can be internalized? How will the Authority know if you are successful in adequately preparing your people to meet new challenges? What kinds of testing and assessment methods might be useful? These are questions we encourage you to consider as part of the Authority's overall commitment to on-going development.

**Key Activities in 2011:** Ensure that all managers and staff have an updated Individual Development Plan completed. Ensure that all supervisors hold 1:1 meetings with each of their direct reports to review progress on their IDPs at least three to four times during the year. We also recommend preparing the Authority's supervisors to hold productive development discussions.

As a reminder, we have provided an in-depth discussion relative to leadership and staff development strategies in Section 8.



## **SECTION 6**

### **Step 4: During Year, Make Selection and Promotion Decisions Informed by Candidate Readiness/On-board into New Position**

#### **Key Activities and Outputs:**

- a. Review all identified successor candidates prior to filling planned/unplanned vacancies
- b. On-board managers/staff into their new position once the selection decision is finalized
- c. Update replacement worksheets and succession metrics based on staff changes

#### **Timing:**

It is recommended that the key outputs listed above be completed throughout the year, and within the State's guidelines for promotions and lateral moves.

#### **Step 4 Process Guidelines:**

##### **5a. Review all identified successor candidates prior to filling planned/unplanned vacancies**

Throughout each year as planned or unplanned openings occur, the applicable hiring manager should conduct a review of all potential internal successor candidates before a final selection decision is made. This review can be completed simply and quickly by reviewing all of the identified successor candidates listed on Worksheet #4 for that specific position (see discussion in Section 4). If no internal candidates are deemed ready, the hiring manager would quickly initiate a search process outside the Authority.

The hiring manager will need to look closely at the assessment of candidate readiness before reaching any preliminary conclusions. Special attention should be paid to all identified high-potential staff relative to their appropriateness/readiness for the vacant position. If a particular candidate appears ready to assume the new position (HiPo or not), the hiring manager should immediately initiate a discussion with the identified successor candidate's immediate supervisor (unless job posting is required). Recognizing that moving one individual out of their current role could create a small domino effect where other internal moves come into play, it may be necessary for the senior leadership team to assess the implications and risks of initiating several personnel changes simultaneously. However, the risks to business continuity must be balanced against the importance of providing career progression opportunities for the Authority's managers and staff members.

Once discussions have taken place between the appropriate set of managers, a selection decision can be reached. This decision triggers the need to begin planning the transition out of an individual's current role and into their new position. The on-boarding process is discussed next.

**5b. On-board managers/staff into their new position once the selection decision is finalized**

It is interesting to note that many organizations place little emphasis or thought to on-boarding, particularly when the new incumbent is a current employee of the organization. While it is common to see new-hire orientation programs, even these can fall short when it comes to effectively assimilating the individual into their new job and onto their new team.

Effective on-boarding:

- Shortens the time it takes the new incumbent to become highly productive by way of accelerating the learning curve and ensuring timely knowledge transfer
- Serves as the foundation to establish clear performance expectations with the new incumbent (and for the entire team, if the incumbent is their new supervisor)
- Provides the right environment to develop and nurture trusting working relationships with peers, co-workers, supervisor and other key stakeholders
- Provides a support system throughout the assimilation process (via an assigned "buddy", coach or mentor as examples)
- Defines the accountabilities (both for the new incumbent and their direct supervisor) for ensuring a successful on-boarding experience

Whenever the Authority is moving an individual out of their current role and into a new role, we recommend that a defined transition plan and timeline be developed to ensure business continuity. Involved in these discussions would be the individual who is changing roles, their "old" manager and their "new" manager. In addition, if a replacement candidate is already identified, they should also be included.

Transition planning discussions generally address, at a minimum:

- Upcoming mission-critical goals and milestones
- Major activities and initiatives currently underway
- Key skills, knowledge and capabilities specific to success in the position
- Briefing on all assigned personnel (if this is a management position) and specifics relative to staff performance, defined development goals (IDPs), and other pertinent data relative to staff (strengths and development areas, personality traits, etc.)
- A timeline for shifting accountabilities from one individual to his/her successor
- Agreement on roles and support to be provided throughout the assimilation process

Given the Authority's planned headcount growth during the next twenty-four months, we strongly advise that the senior leadership team design and implement a robust new hire orientation process, accompanied by disciplined on-boarding and assimilation practices. These processes should be designed for both new hires and internal staffing changes (replacements, promotions, lateral transfers) and be periodically reviewed to ensure that they are achieving their intended outcomes. Soliciting candid feedback from new hires and internal transferees is a primary means of learning what's working well and identifying assimilation gaps that need to be filled.

#### **5c. Update replacement worksheets and succession metrics based on staff changes**

Having access to a list of successor candidates and a current assessment of their readiness for any given position is dependent upon the Authority maintaining updated succession planning documents. Specifically, we recommend that Worksheet #4 be updated as soon as an internal staffing change occurs. If a position becomes vacant that can't be filled internally, it should be listed on Worksheet #5 (Staffing Plans and Priorities).

On Worksheet #4, the individual who is transitioning into a new position should be removed as a successor candidate for any previously identified positions for which they are no longer an appropriate candidate (i.e. any lateral moves previously listed, if the individual has just been promoted). In turn, wherever applicable, their name should be added to any positions where they might be a viable successor candidate at some point in the future. A brief readiness assessment should be completed relative to any new positions for which they are listed, ideally within six months of their transfer.

In addition to updating replacement data on Worksheet #4, all internal promotions and lateral transfers should be captured as part of the goal to measure your succession planning process. A discussion of succession metrics is found in Section 7, which follows.

**Key Activities in 2011:** The activities described within this step are applicable at any point throughout each year, and can begin immediately. We strongly advise that you focus on the design and implementation of an on-boarding/assimilation process immediately, given your near-term staffing priorities and planned new hires.

## **SECTION 7**

### **Step 5: Measure and Assess Succession Planning Effectiveness; Refine Process; Assess Effectiveness of Staff/Leadership Development Strategies**

#### **Key Activities and Outputs:**

- a. Aggregate and review succession metrics for the past 12 months
- b. Identify opportunities to refine the succession planning process; create a plan to implement improvements
- c. Assess leadership and staff development strategies, based on succession metrics; identify enhancements to development strategies and create a plan to implement improvements
- d. Prepare to initiate Step 1, integrating identified process improvements for the next cycle

#### **Timing:**

It is recommended that the key outputs listed above be completed just prior to the initiation of Step 1 each year, as these activities should precede the beginning of each new succession planning cycle.

#### **Step 5 Process Guidelines:**

##### **5a. Aggregate and review succession metrics for the past 12 months**

Throughout each year, any number of staff changes will have occurred. These include new hires, promotions, lateral transfers, planned and unplanned departures, elimination of existing positions and creation of new positions. As mentioned in the previous section, Worksheet #4 should be updated on a regular basis to ensure succession and replacement data accuracy.

Along with the maintenance of your “succession database”, it is important to measure the effectiveness of your succession planning activities (recommended annually). The first step involves the leadership team selecting relevant succession metrics (discussed next). While the number of promotions and lateral transfers will likely be minimal in the near-term, it is valuable to begin tracking succession metrics in year one of implementation. These metrics, once selected, can be maintained in a simple Excel database.

## **Succession Planning Metrics**

The fundamental question for many organization remains - "What is most important for us to measure relative to our succession planning process"? We recommend that the Authority select a blend of both quantitative and qualitative metrics. Following are examples of succession metrics that we encourage you to consider as a starting point:

- Percent of newly created positions that are filled from within the organization
- Percent of replacement positions that are filled from your list of identified successor candidates (Bench strength)
- The percentage of your identified management and mission-critical positions that have at least one successor candidate identified as a) ready now and b) ready within 2 years (Bench strength)
- The number of HiPos who were either promoted or transferred to another position within the organization (HiPo movement signals the active management of key talent)
- The number and percentage of HiPos and other critical talent who decided to leave the organization (Retention of key talent is an important priority)
- Ethnic and gender diversity in promotions
- Performance following promotions and lateral transfers (Indicator of selection and assimilation practices)
- Performance of new hires (Indicator of selection and on-boarding practices)
- Qualitative feedback (via focus groups, surveys) on the on-boarding and assimilation process (For both internal transfers and new hires)
- Time commitment of senior managers in the succession planning process within each 12 month period (and more granularly by major Step, if useful)

We encourage the Authority to identify and implement additional metrics as you continue to implement and refine your succession planning process. You will find that certain metrics will likely remain unchanged and others may need to be replaced with more pertinent measurement criteria.

**5b. Identify opportunities to refine succession planning process; create a plan to implement improvements**

Based on a review of the previous twelve months staffing activities and internal staff movement, coupled with a review of the Authority's succession metrics, any number of potential process improvement opportunities may surface. While this Guidance Document has provided a step-wise roadmap for succession planning, with defined activities and recommended timeframes, only through implementation experience within the Authority will you be able to determine where to make refinements.

There is an important balance to strike between efficiency and effectiveness as relates to succession planning implementation. We understand that your goal is to implement a robust process that achieves its intended purpose without being overly burdensome on the Authority's management team. Knowing what is most important (i.e. the selection of the right set of metrics) and identifying how best to achieve it (i.e. design of time-efficient processes) is a recipe for long-term success. Involving the entire senior leadership team in periodically reflecting on progress to date and assessing opportunities for improvement strengthens their ownership of the succession planning process.

Identifying process improvements is a data-driven exercise which requires data collection, analysis, and careful planning. For example:

- If the overall process is taking up an inordinate amount of management time (which should not be the case), you will need to understand which specific steps are the culprits, and more importantly, why this is happening
- If you continually find that there are no internal replacement candidates ready within two years for several key positions, this may indicate that your focus on successor candidate development and their IDPs is insufficient

Based on your annual review, we recommend that you develop a process improvement plan. Specific action steps for the upcoming cycle should be noted, coupled with clearly defined accountabilities and timelines. Process improvement implementation should be tracked throughout the next year, and reviewed for further refinement.

We encourage you to make this process your own. Through direct experience you will learn how best to implement it within your organization and you will be driven to seek opportunities for improvement year after year.

**5c. Assess leadership and staff development strategies based on succession metrics; identify enhancements to development strategies and create a plan to implement improvements**

A review of the Authority's succession metrics can also shed light on the effectiveness of your management and staff development strategies and programs in place. An aggregate view of progress against defined learning and development goals within staff IDPs is one key indicator of effectiveness. We recommend that the Authority consider what modifications/enhancements to your leadership and career development strategies are warranted. A specific plan should be developed to address these opportunities. Additional discussion relative to this topic can be found in Section 5 (Step 3c) and in Section 8.

**5d. Prepare to initiate Step 1, integrating identified process improvements for the next cycle**

Following the periodic review of your succession planning metrics, and the identification of process improvements and enhancements to the Authority's development strategies, we recommend that you finalize your implementation plans for the coming year. As you prepare to initiate the succession cycle with Step 1, be sure to review your improvement plans and begin to pilot the changes you have identified during Step 5. As we have emphasized throughout this section, succession planning is an iterative process and one that lends itself to continuous fine-tuning and on-going improvement.

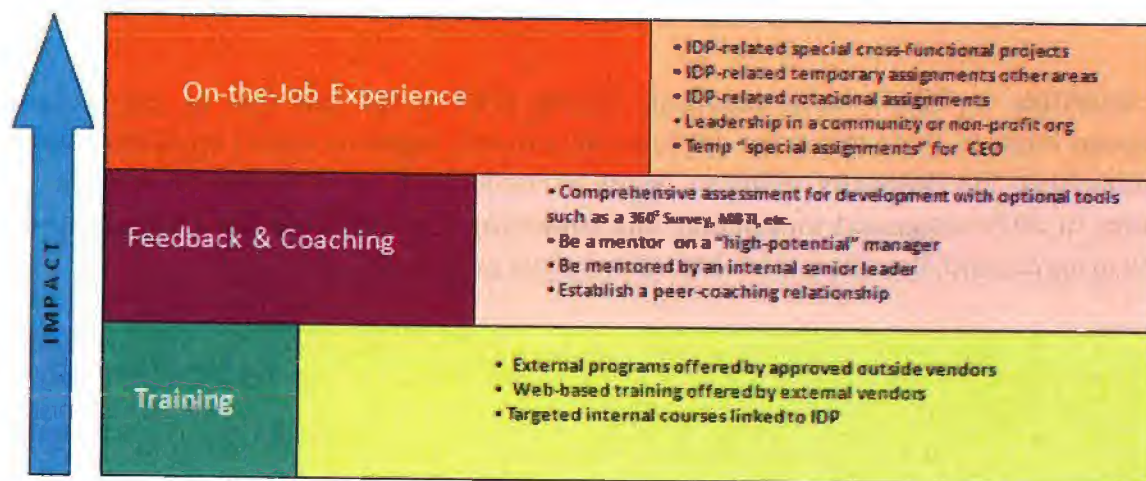
**Key Activities in 2011:** Most important during 2011 is the selection of appropriate succession metrics. Once these are determined, you can begin to collect applicable data. Assuming that the Authority plans to begin to implement many of the recommended activities in 2011 suggested throughout this document, you will have the opportunity to review progress and identify some initial refinements prior to 2012.

## SECTION 8

### Targeted Leadership and Staff Development Strategies

In Section 5 we introduced research conducted by the Center for Creative Leadership. We have inserted their model below for easy reference. Based on a number of studies, this research emphasizes that a significant percent of learning and development takes place through real-life, on-the-job experiences, challenging tasks and problem solving. In addition, it highlights the value of learning from other people through informal and/or formal feedback, mentoring, or coaching, and includes formal training as a contributor, as one would expect.

In this section we will discuss each of these three broad development domains and their potential application within the Authority. We'd like to reinforce one key point: these conclusions - that the most impactful learning and development often comes through on-the-job experiences - present wonderful opportunities for the Authority. Rather than being driven by a goal to implement expensive, organization-wide, multi-tiered development programs of potentially lesser impact, we encourage you to focus most of your development efforts on designing learning and career strategies based on work experiences. Fortunately, these important experiences can be garnered through a variety of strategies which are relatively inexpensive and easy to implement.



\*Can apply to "non-high potential" staff as well. Apply more of the above development activities simultaneously and/or in an accelerated period of time for high potentials.

Ref. Adapted from research by the Center for Creative Leadership



## **On-the-Job Experiences**

Structured on-the-job development experiences are most effective when:

1. Along with feedback and coaching, they are seen as a vital strategy to accelerate the speed of development
2. They are the most viable strategy to provide candidate successors with the types of insights and life experiences they will need to succeed in a new position
3. They are viewed as the most accurate means of testing the readiness of an individual to assume new and/or greater responsibilities within the organization
4. They provide a structured opportunity for the successor candidate(s) to work alongside a senior manager/executive on a real business issue and gain tremendous insight and new knowledge

There are a host of potentially high-impact on-the-job development activities that can become core to the Authority's approach to internal leadership and staff development; each can make a unique contribution to an individual's accelerated development. Especially when combined with internal mentoring, we have found that the results from on-the-job growth are generally more directly observable as compared to those from training.

Following are selected examples of on-the-job development strategies for your consideration. We encourage the Authority's senior leaders and other key managers to identify additional strategies to provide targeted development opportunities to your staff.

- Job rotations
- Temporary job assignments
- Shadowing a senior executive
- Attending and/or participating in strategic planning discussions
- Conducting research in support of an upcoming critical milestone or key initiative
- Participation on special projects (i.e., as a member of a CEO task force or other organizational initiative of significant importance)
- Serving as an on-going coach/mentor to other staff members
- Serving as faculty for internal leadership and staff development programs
- Additionally, volunteer work serving on the board of a local charity, leading a community organization, or other opportunities to gain new skills, knowledge and experience

Maximizing the impact of on-the-job development requires upfront objective setting (via IDPs) and careful planning. On-going support and candid assessment of an individual's progress throughout the process contributes to the learning impact.

## **Mentoring, Coaching and Feedback**

### **Internal Mentoring Programs**

Formal mentoring programs are being used more and more as a core element of leadership and staff development programs, due to their direct impact on accelerating the process of preparing individuals to assume greater responsibilities. A formal Mentoring Program is most effective when:

1. Senior managers are fully committed and prepared to serve as mentors
2. It is seen as a vital strategy to accelerate the speed in which successor candidates are perceived as “ready” to assume new responsibilities
3. Training and guidelines for mentors and mentees are well defined and adhered to

Mentoring programs are an excellent strategy to accelerate targeted development because they are tied directly to an individual’s top learning and development priorities, as defined within their IDP. Preparing senior leaders (through training) to mentor one or more aspiring staff members or managers represents a growth opportunity for both parties. Mentoring often includes sharing career guidance, lessons from personal experience, transfer of key knowledge and skills, and advice about how to navigate effectively within the organization. Mentoring therefore is a key strategy to facilitate systematic transfer of organizational knowledge.

Critical to the success of a mentoring program (as well as for any given 1:1 mentoring relationship) is the effective program design, preparation and training of the mentor and mentee, and provision of support throughout the process. We encourage the Authority to consider implementing a formal mentoring program at an appropriate point in the future (2011 or 2012).

## Feedback and Coaching

Formal feedback and coaching strategies are often a core component of an organization's people development strategy. This is due to their direct impact on an emerging/current leader or individual contributor's effectiveness and potential. Feedback and coaching are most effective when:

1. They are seen as a vital strategy to accelerate the speed in which successor candidates are perceived as "ready" to assume greater or new responsibilities
2. Targeted feedback and improvement in specific areas are regarded as the "missing ingredient" in an individual's development plan
3. A skilled Leadership Coach (internal or external) can provide insight and perspectives in a manner that "connects" with the individual; the Coach can help them apply new practices and skills and provide on-going direction, support and encouragement

Receiving timely, objective, candid and supportive feedback is essential for an individual to derive the full benefits from their development efforts. After their Individual Development Plan has been signed off by their supervisor, most people need feedback and reinforcement throughout the year to maintain their focus and enthusiasm.

Often, the only formal feedback that an individual receives is during the annual performance review process. Developmental feedback and suggestions delivered solely in that context are often unclear, non-specific and/or not actionable. We recommend that the Authority ensure that development-oriented discussions occur periodically throughout each year, and not be tied to the annual performance review process.

We have found that to the degree that supervisors are skilled and committed to providing on-going developmental feedback, the organization in total benefits. We recommend that the Authority commit to providing appropriate supervisory skills training in order to build a "development-oriented" continuous improvement culture. This small investment will generate measurable returns (increased individual and organization performance) and will directly support your succession planning objectives.

For the Authority's future consideration, research indicates that the use of multi-source feedback methods, whether interview or survey-based (i.e., 360° feedback), is valuable in identifying specific, action-oriented areas for development.

In addition, a number of best practice organizations have their identified potential successors and emerging leaders take part in a formal assessment process. This might entail any number of methodologies, to include:

- In-depth, structured interview with the individual
- Interviews with the individual's co-workers, , peers, direct reports, and supervisor
- A number of self-assessment tools, such as the Myers-Briggs Type Indicator (MBTI) or the DiSC behavioral style survey
- A leadership style inventory

The results from this comprehensive assessment are then summarized in a formal report which is carefully reviewed with the target participant leader and incorporated into the individual's IDP.

Depending upon the availability and effectiveness of coaching/feedback resources within the Authority, it may be necessary in certain instances to use an external, professionally trained coach. We can provide guidance on how to select a qualified coach should the need arise.

## **Leadership and Staff Training Programs**

Formal training programs often form the foundation of an organization's leadership development program architecture. Formal training is most effective when:

1. It is seen as a key step to institutionalize a common set of leadership competencies, values, philosophies and practices.
2. It is used to introduce or build upon targeted skills, knowledge or information critical to a manager or individual contributor's performance and effectiveness
3. It is required to introduce new policies or regulations
4. It serves as a structured vehicle to promote interaction and knowledge sharing between an organization's senior management members and its next level of current/future leaders

The world of training has been revolutionized by the introduction of engaging action learning strategies, sophisticated and highly customized business simulations, video feedback, experiential and small group learning activities, and computer-based e-learning.

Keep in mind that formal training is far less effective when it is regarded as a "mandatory check the box exercise" and where little value is derived through attendance or where the contents are poorly aligned with the participant's learning needs/priorities.

### **Leadership Training Programs (Internal)**

Given the Authority's small number of senior management positions and the limited number of management layers anticipated long-term, the utility of creating a robust, customized leadership development program is questionable. However, we strongly recommend that you create a set of brief leadership workshops for all of the Authority's "people managers" (from first-line supervisors to executive team members). Example workshop objectives of specific relevance to this Guidance Document include:

- Communicating a common set of leadership values
- Building coaching and feedback skills
- Introducing best practice approaches and setting expectations for on-boarding and assimilating new staff and internal transfers
- Gaining alignment around succession planning objectives, metrics, process steps, and accountabilities
- Reviewing upcoming program milestones and assuring alignment around critical goals, activities, timelines and accountabilities
- Building relationships at the management team level in order to ensure cohesiveness and shared commitment/accountability for organization performance
- Providing guidelines for team start-up, development, and high-performance

### **Leadership Training Programs (External)**

As a compliment to internal leadership programs, budget permitting, the Authority may wish to have selected leaders attend any number of public programs provided by a variety of educational vendors (academic institutions, specialty training companies, industry-specific vendors). The availability of a wide range of external programs enables the Authority's leaders to select one or more programs specifically targeted to their Individual Development Plan. Carefully evaluating these programs, both before and after attending, is important in order to prevent wasting funds on programs selected purely on convenience, cost or compelling vendor marketing techniques.

### **Staff Development Training Programs**

Depending on specific needs and available budget, the Authority may decide to build a selected number of staff development training programs. The topics could range from new hire orientation, HSRA administrative procedures, program/key milestone goal setting, and could potentially include a wide variety of skills-based training specific to the Authority's mission and milestones.

Should you decide to move forward in creating internal staff development programs, keep in mind that staff identified as successor candidates (both high-potentials and other key contributors) will come from various functions/departments and each will have their own Individual Development Plan listing their top learning priorities. Developing targeted training programs requires consideration of the staff's functionally-specific content needs in addition to organization-wide learning priorities. Thus an assessment of learning needs and priorities should always precede the design of any internal training program.

## **Summary Recommendations: Leadership and Staff Development Strategies**

Achieving the Authority's succession planning objectives requires an on-going commitment and investment in leadership and staff development. We have introduced and highlighted the Center for Creative Leadership's model because we view it as foundational to the design and implementation of targeted development strategies, plans and programs.

We recommend the following as priorities for the Authority in **2011**:

- Implement a robust new-hire orientation program (mission, vision, values, program history, overview of key milestones, culture, etc.) with emphasis on welcoming staff into the organization
- Implement a systematic process for assimilating staff into their new position
- Deliver targeted leadership workshops (see example topics referenced above)
- Ensure that all managers and staff have written IDPs which include specific development goals and action plans; IDPs should be monitored and actively supported by their supervisors
- Begin to implement on-the-job learning strategies on a selective basis (i.e. high-potentials being groomed as successor candidates for future planned retirements) by the end of 2011
- Begin the design of an internal mentoring program by the end of 2011

## **Moving Forward**

We appreciate that the design and implementation of leadership and staff development strategies and solutions discussed above fall outside the scope of this succession planning project. We would appreciate the opportunity to discuss with you our background, capabilities and experience in these areas at an appropriate time in the near-future.

## **SECTION 9**

### **Preliminary Recommendations to Address the Authority's Staffing, On-Boarding, and Development of a High-Performance Work Environment**

In reviewing the Authority's current Strategic Plan and informed by our recent succession planning meetings, a number of insights and ideas outside of the succession planning project scope have surfaced. Given the rapid increase in planned headcount growth during the next twenty-four months, we suggest that there are several important staffing and organizational priorities which the Authority's senior leaders must address. In the following table, for each challenge identified, we have provided a set of preliminary recommendations for your consideration. Some of the recommendations below have been introduced earlier but are included here for continuity with the identified challenge.

<b>Challenge</b>	<b>Preliminary Recommendations</b>
1. The Authority operates with a lean staffing model	<ul style="list-style-type: none"><li>1.1 Determine which capabilities the Authority will in-source via new hires as opposed to acquiring by way of the use of contractors and consultants. Each headcount should be considered "precious", and very careful thought should be given to the trade-offs of full time hiring vs. other available alternatives.</li><li>1.2 Prioritize all new requested positions - refer to Worksheet #5</li><li>1.3 Develop job descriptions which accurately reflect the scope of work/associated responsibilities; eliminate redundancies across positions to maximize efficiency</li><li>1.4 Implement cross-training for mission-critical tasks to ensure business continuity in the face of an unplanned departure</li><li>1.5 Select new hires carefully; avoid the tendency "we need bodies now" and ensure that each new hire is the best candidate available and will fit within the Authority's culture/environment</li><li>1.6 Given fewer opportunities for promotion into management roles (limited # management roles/levels) ensure a clear path for progression within each job family - refer to Worksheet #6</li></ul>



<b>Challenge</b>	<b>Preliminary Recommendations</b>
2. The Authority's headcount will grow from 12 to over 60 FTEs during the next twenty-four month period	<p>2.1 Design and implement a robust on-boarding and assimilation process; measure its effectiveness; continue to refine</p> <p>2.2 Prepare supervisors for their role in on-boarding and assimilation</p> <p>2.3 Develop communication forums (i.e. all staff meetings, department meetings, 1 on 1s, email updates, etc.) to ensure that all staff are well informed relative to upcoming milestones, progress to date, legislative events and their implications, performance expectations, rewards and recognition, etc.</p>
3. The Authority's unique mission and mega-project status mandates the development of a high-performance work environment	<p>3.1 The Authority's Senior Leadership Team needs to explicitly define the desired culture and work environment you wish to foster</p> <p>3.2 Determine the necessary leadership and organization practices which will reinforce the desired future state</p> <p>3.3 Implement line-of-site performance goal setting process, starting from organization-level and filtering down to each employee's annual performance goals</p> <p>3.4 Provide supervisors with training in goal setting, performance and development coaching, constructive feedback, corrective action, etc.</p> <p>3.5 Hold supervisors accountable to actively manage the performance of their team/individual direct reports</p> <p>3.6 Develop and implement communications strategies and messaging which reinforces the desired culture</p> <p>3.7 Consider implementation of focus groups and organization-wide employee surveys as valuable feedback mechanisms</p>
4. The Authority will lose key managers and staff with critical institutional knowledge through planned and unplanned departures	<p>4.1 Conduct "knowledge capture" sessions to document specific knowledge, skills, capabilities, relationships, and other valuable information</p> <p>4.2 Conduct transition discussions between departing staff members and their replacements to ensure knowledge transfer of all relevant information</p> <p>4.3 Consider creating a knowledge management database to archive institutional knowledge</p>

Challenge	Preliminary Recommendations
5. Sustaining staff engagement and commitment can be very challenging on a project of this long duration	<p>5.1 Set well-defined intermediate milestones which in and of themselves represent measurable “completion points”</p> <p>5.2 Use these intermediate milestones as rallying points to sustain performance and morale</p> <p>5.3 Wherever feasible, set planned retirement dates to the completion of specific milestones (this will help ensure business continuity and serves as the most logical transition point for new successor to begin)</p> <p>5.4 Celebrate intermediate successes; reinforce hard work and commitment to the mission</p>
6. Ensure that the organization is functioning at optimal levels of efficiency and effectiveness	<p>6.1 Conduct periodic organization performance assessments; identify bottlenecks and inhibitors to high performance</p> <p>6.2 Review core work processes; identify opportunities for continuous improvements</p> <p>6.3 Address team performance issues; provide team development support where needed</p>

## ADDENDUM

### ***To Tell or Not to Tell: Communicating with Identified High Potential Staff***

Following is a brief discussion of the trade-offs surrounding whether or not to explicitly tell high potential staff that they are an “identified HiPo”. Coupled with this decision is “what do we tell other key talent that aren’t identified as HiPos”? As a growing number of organizations like the Authority are implementing systematic succession planning and talent management processes, this issue has gained relevance for senior leadership team consideration.

The primary arguments in favor of telling HiPos that they are on the “HiPo list” are a) to demonstrate open and honest communications with all staff, and b) to ensure that HiPos know how they are viewed, with an emphasis on retention. The primary arguments against informing HiPos of their status on the list are a) concern with setting unrealistic expectations which the organization may not be able to fulfill, b) the significant concerns with alienating large numbers of staff members who are otherwise solid or even excellent performers, but not HiPo identified and c) the possible increase in the risk of loss if someone who has been rated a HiPo in prior talent reviews no longer meets the criteria and receives “lower” potential rating.

Michael Lombardo and Robert Eichinger, founders of KornFerry-Lominger’s Leadership Architect, in their book, *The Leadership Machine*, cite a **major study stating that 70 percent of those companies surveyed do not disclose** HiPo status, while 30 percent do. Our experience mirrors the authors’; that even without explicitly “telling” HiPos they are “on the list”, there are many ways to communicate how they are perceived by senior management - that they are viewed as key “assets” with solid prospects for significant upward mobility.

Examples of ways in which organizations ensure that HiPos know how they are viewed without needing to explicitly say it include: selection to a high profile project, regularly scheduled meetings with the CEO or other senior executives, having an accelerated development plan which includes assignment of a leadership coach, targeted rewards and recognition, and movement across multiple positions in a much shorter period of time than the norm. In essence, HiPos can know how they are viewed based upon the organization’s clear investment in their career development and progression.

Those organizations that choose to explicitly discuss “the list” with HiPos run the risk of disengaging excellent employees (because they will find out) and they put managers in the difficult position of having to hold tough discussions with non-HiPos. While there is not a right or wrong answer to the fundamental question at hand, understanding the risks and benefits of each option is essential.

Our view is that Lombardo and Eichinger have articulated a compelling challenge in that “The organization owes every employee information about how they are doing and what their prospects are.” While they go on to express that they do not support explicitly telling HiPo’s that they are on the HiPo list, they do emphasize the importance of nurturing key talent, with a strong commitment to leadership development.

We welcome the opportunity to facilitate this discussion with your senior leadership team, in the context of your larger succession planning objectives and plans.